



# SCOPE

## SCOPE LETTER - KEEPING TRACK OF YOUR INVESTMENT

MARCH 2015

This is a summary of what's been happening in investment markets in recent times to help you understand how your fund has performed.

If you have any further questions in relation to your investment you should speak with your Financial Adviser. We recommend that you regularly review your mix of investments with your Financial Adviser to ensure that they meet your needs.

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**This document is for information purposes to existing customers only and is not intended to be an advertisement.**

### IN BRIEF

#### EQUITIES

Global equity markets rose over the period although volatility increased. Expectations for the timing of the first interest rate rises in the US and UK were pushed out, facilitated by lower than expected inflation levels, mainly due to the 50% fall in the price of oil from mid-2014 highs. Equity markets fell in October and lost all of their year to date gains as concerns grew over a potential global economic slowdown following disappointing industrial production releases but these fears eased as global, and in particular US, economic data improved through the end of 2014.

In December and January uncertainties relating to negotiations over the Greek bailout programme post the election of a new government gave rise to additional uncertainty but markets recovered as an eventual compromise, which would result in Greece remaining in the Euro, was expected while the recently announced ECB asset purchase programme provided further support. A weaker Euro due to increased monetary stimulus from the ECB boosted returns in Euro terms.

#### BONDS

Bond markets produced positive returns over the period. Global inflation consistently surprised on the downside, driven by the over 50% fall in the price of oil from mid-2014 highs and was particularly weak in the Eurozone, falling to a negative 0.6% year on year. As risks of persistent deflation across the Eurozone grew, the ECB announced a number of additional monetary measures, including a large asset purchase programme which will include purchases of sovereign bonds. This contributed to the fall in German 10 year yields to a new all-time historic low of 0.30%. Ongoing geo political uncertainties in the Ukraine and Greece also contributed to the fall in yields as did expectations of lower neutral levels of base rates with the ECB not expected to raise interest rates until at least 2018. Differences between peripheral Eurozone government bond yields and Germany continued to narrow as ECB policy initiatives were seen as supportive.

### Summary

- Ways to Keep Track
- Brief Update on Markets
- Securescope
- Wisdomscope
- Globalscope
- Europascope
- Celticscope
- Telescope
- Techscope
- How your Scope is invested
- Need Advice or Information

# SCOPE PERFORMANCE UPDATE FOR THE LAST 6 MONTHS

Each scope option has a different level of risk and potential return relative to each other. These are graded 1 to 5 relative to each other. For example for risk level 1, there is a low risk level assumed, meaning low levels of ups and downs. Risk level 5 indicates that there may be the most extreme levels of ups and downs in the value of your investment.

Performance figures shown are net of tax and fund charges.

## SECURESCOPE

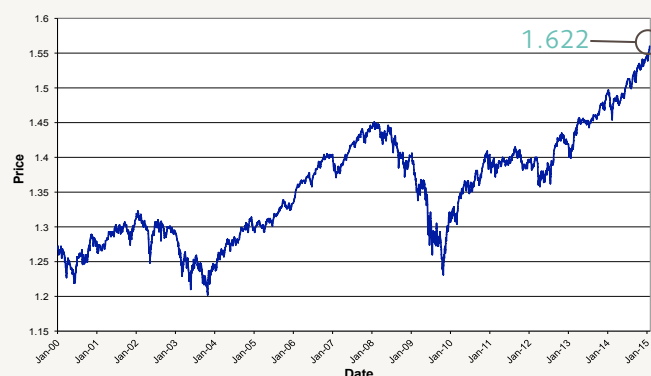
Risk Level: **1 Low**  
Growth Potential: **1 Modest**



Bond markets produced positive returns over the period with Eurozone inflation falling significantly to -0.6% year on year as the price of oil fell over 50% from mid-2014 highs. The ECB announcement of a sovereign bond purchase programme to combat the risk of persistent deflation led German 10 year yields to a new all-time historic low of 0.30%. Geo political uncertainties in the Ukraine and Greece also contributed to lower yields as did expectations that the ECB will not raise interest rates until at least 2018. Differences between peripheral Eurozone government bond yields and Germany continued to narrow as ECB policy initiatives were seen as supportive.

Global equity markets rose, supported by continued supportive monetary policies from global central banks and improving global economic momentum through the end of 2014. Reports of positive earnings across the globe also supported equities as did continued evidence of positive flows to equity markets while valuations relative to other asset classes were extremely attractive. A weaker Euro due to increased monetary stimulus from the ECB boosted returns in Euro terms.

- Performance over 6 months to 10 February 2015: 2.92%
- Performance over 12 months to 10 February 2015: 5.87%
- Performance since launch to 10 February 2015: 27.72%



## WISDOMSCOPE

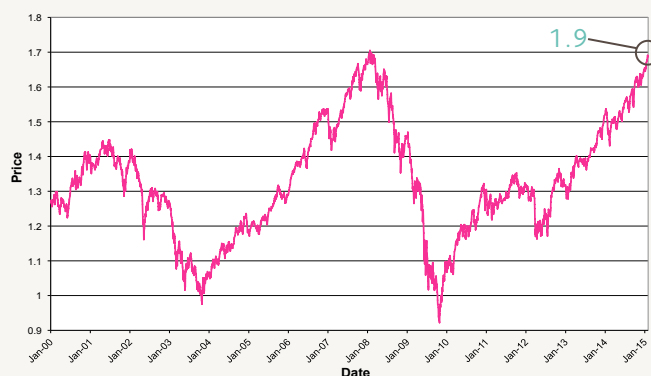
Risk Level: **2 Significant**  
Growth Potential: **2 Good**



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- Performance over 6 months to 10 February 2015: 9.76%
- Performance over 12 months to 10 February 2015: 16.85%
- Performance since launch to 10 February 2015: 49.61%



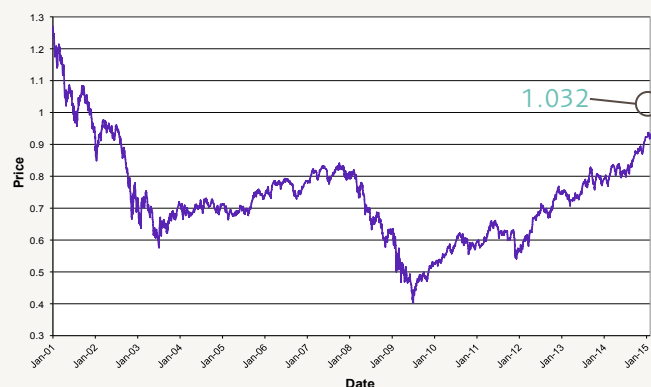
## GLOBALSCOPE

Risk Level: **3 Very significant**  
Growth Potential: **3 Very Good**



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- Performance over 6 months to 10 February 2015: 13.16%
- Performance over 12 months to 10 February 2015: 26.63%
- Performance since launch to 10 February 2015: -18.74%



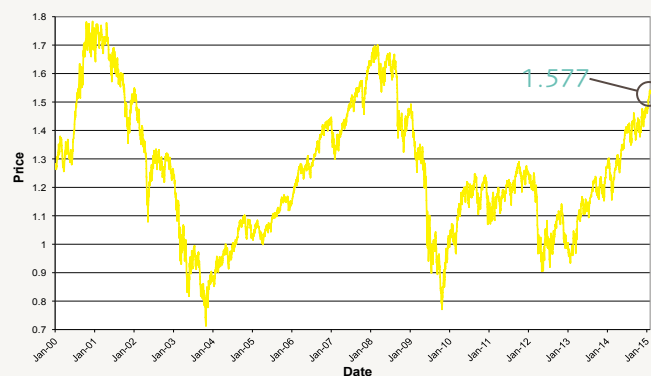
## EUROPASCOPE

Risk Level: **3 Very significant**  
Growth Potential: **3 Very Good**



European equities rose over the period and while they outperformed global equities in local currency terms, they lagged in Euro terms given the weaker Euro. Having stalled in the middle of the year due to uncertainties related to the crisis in the Ukraine, growth improved through the end of the period with rising business sentiment surveys and strengthening economic data as a result of various policy initiatives from the ECB, the weaker Euro, lower bond yields and better momentum in the global economy. Despite the modest levels of European GDP growth through much of the period, European corporates generated strong earnings growth due to positive operating leverage. European equity remained relatively attractive compared to global equities on an historic basis while European equities also benefited from the larger than expected quantitative easing programme announced by the ECB.

- Performance over 6 months to 10 February 2015: **6.99%**
- Performance over 12 months to 10 February 2015: **9.59%**
- Performance since launch to 10 February 2015: **24.17%**



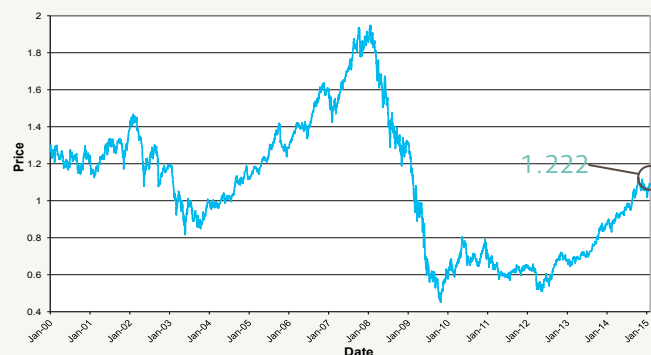
## CELTICSCOPE

Risk Level: **4 High**  
Growth Potential: **4 Excellent**



The Irish equity market generated strong returns over the period. The economic backdrop improved as domestic demand turned positive and contributed to a significant pick up in GDP growth. With the strong improvement in government finances, an expansionary budget was announced in contrast to the tightening evident in recent years. Irish corporates also benefited from strong growth in both the UK and US and the improvement in the European economy. As elsewhere in the Eurozone, Irish corporates benefited from the weaker Euro.

- Performance over 6 months to 10 February 2015: **17.39%**
- Performance over 12 months to 10 February 2015: **8.43%**
- Performance since launch to 10 February 2015: **-3.78%**



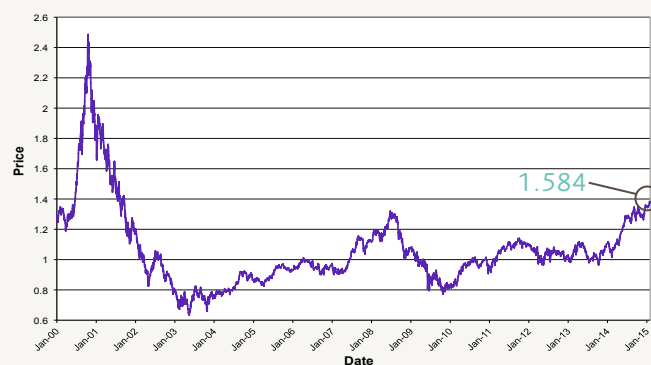
## TELESCOPE

Risk Level: **5 Extreme**  
Growth Potential: **5 Maximum Growth Potential**



In the last six months, on a global basis, telecoms have continued to outperform the market, supported by Asian telecoms in particular with China Unicom and Hutchinson Whampoa the stand out performers. Over the last six months, telecoms have performed broadly in line with other defensive sectors. In terms of valuation, European telecom operators in particular have seen a material re-rating and now trade at or above historical peak multiples.

- Performance over 6 months to 10 February 2015: **17.68%**
- Performance over 12 months to 10 February 2015: **19.01%**
- Performance since launch to 10 February 2015: **24.72%**



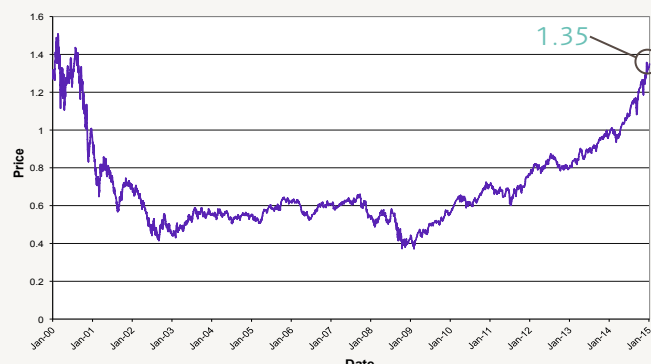
## TECHCOPE

Risk Level: **5 Extreme**  
Growth Potential: **5 Maximum Growth Potential**



The tech sector was supported by a number of key structural themes that remain predominant in the technology sector which provide attractive growth opportunities. Some of these include SMAC (Social, Mobile, Analytics, Cloud), Internet of Things, Mobile Payments (with adoption set to accelerate driven by the launch of Apple Pay and roll out of NFC terminals), AdTech, Softwareisation of Capex, Security, Offshoring and Outsourcing (particularly in Europe).

- Performance over 6 months to 10 February 2015: **19.05%**
- Performance over 12 months to 10 February 2015: **35.00%**
- Performance since launch to 10 February 2015: **6.30%**



## HOW YOUR SCOPE IS INVESTED

### HOW EACH SCOPE OPTION IS INVESTED

The Scope funds invest in company shares using an approach known as 'index tracking'. This means each Scope fund option aims to give you a return that, before tax and charges, matches the return from the index that your fund tracks.

### WHAT SHARES DOES SCOPE INVEST IN?

This depends on the following

- What index your Scope option tracks
- What companies are in that index
- The size of each company compared to the total value of the index

For example Europascope aims to track the performance of the EURO STOXX 50 index, this is made up of 50 top companies in the Eurozone. The EURO STOXX 50 index is recognised as the benchmark for the performance of major shares in the Eurozone. The amount that we invest in each of those companies will reflect the proportion, or size that each company makes up of the overall index.

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9am – 1pm  
Saturday



### YOUR FINANCIAL ADVISER

Your Financial Adviser is available to speak with you should you have any questions or concerns.

We recommend you speak regularly with your Financial Adviser to review your investments.

**This is intended as a general review of investment market conditions. It is not investment advice as it does not take account of your specific needs, circumstances or financial objectives.**

**We recommend that you seek personal investment advice as to the suitability of any investment decision or strategy to meet your own needs and circumstances.**

In the interest of customer service we will record and monitor calls. Information is correct as at March 2015.

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